

FISCAL NOTE

STATE OF ALASKA 2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 278
(H) Publish Date: 1/27/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title Alaska Municipal Bond Bank Borrowing Authority RDU _____
Component Alaska Municipal Bond Bank
Sponsor _____
Requester _____ Component No. 121

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel	25.0					
Contractual	7,040.0	40.0	40.0	40.0	40.0	40.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	7,065.0	40.0	40.0	40.0	40.0	40.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
Bond Proceeds	7,000.0					
Bond Bank Investment Earnings	65.0	40.0	40.0	40.0	40.0	40.0
TOTAL	7,065.0	40.0	40.0	40.0	40.0	40.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill expands the ability of the Alaska Municipal Bond Bank Authority (Bond Bank) to borrow money for loans to communities to include prepaying unfunded accrued actuarial liabilities of the retirement system. The premis of undertaking this type of transaction is providing communities with an efficient means of borrowing to fund their unfunded liability (assumed to be growing at 8.25%). The difference between the cost of capital and 8.25% is assumed to provide financial releif to the community.

The fiscal note contemplates a transaction of considerable size, up to a billion dollars, occur in FY 2007. If there was a delay, seven million of the dollars of the cost would shift to the year a transaction did occur. It is possible that there would be additional transactions in subsequent years with similar costs.

Contractual costs include rating agency fees, financial advisor, bond counsel, printing, cusip service, underwriting, & other miscellaneous costs.

Prepared by: Deven Mitchell Phone 465-3750
Division Alaska Municipal Bond Bank Authority Date/Time 1/5/06 12:00 AM
Deven Mitchell Date _____
Agency Alaska Municipal Bond Bank Authority